

DIGITALIZATION IN PUBLIC FINANCIAL INSTITUTIONS: FASHION OR PERCEIVED REALITY

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Abstract: The digitalization of the financial sector, particularly in the public sector, is a relevant lever for economic development. We are witnessing the complete transformation of financial services thanks to technological advances. Therefore, financial services are thus becoming more accessible, faster, and more transparent. According to Arner, Braberis, and Buckley (2016), this financial revolution is disrupting not only the supply of services but also their use within an increasingly connected world. This article focuses on the digitalization of financial services in Algeria to try to understand whether it is a passing fad or a true transformation. Through a theoretical approach and field research, the aim is to describe how citizens are taking advantage of these services, and what constitutes their limits or acceptance. The results of our study indicate that the use of digital services in Algeria still appears limited, partly due to the existence of technical, administrative and cultural problems.

Keywords: Digitalization; Finance; Digital evolution; financial inclusion; Public finance.

Jel Classification Codes : G10 ; O33

Introduction

Today, the digitalization of the financial sector, particularly in the public sector, considered a relevant lever in the development of the economy. Thanks to technological advances, financial services are undergoing a complete transformation: we are seeing the rise of telephone payments, virtual wallets, online banking, digital currencies, and even artificial intelligence applied to finance. These new developments make financial services more accessible, faster, and clearer. As Arner, Braberis, and Buckley (2016) pointed out, this financial revolution is changing both the services offered and the way people use them, in an increasingly connected world. Despite significant demographic and technological potential, and despite the commitment of stakeholders in this financial digitalization process by adopting several reforms such as the launch of mobile payments, platforms such as BaridiMob, the Edahabia card, and online payments (on certain public sites), Algeria is lagging behind in the generalization of financial digitalization. However, the actual use of these tools remains limited, revealing a gap between the digital offer and appropriation by the population. (Boudiaf, A, 2020) This observation raises a central issue:

What are the obstacles to the development of financial digitalization in Algeria?

Through this questioning, two main hypotheses will guide our reflection:

H1: The lack of a culture of using electronic financial transaction tools is hampering the development of financial digitalization in Algeria.

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H2: The lack of widespread implementation of financial transaction devices is hampering the development of financial digitalization in Algeria.

This article examines financial digitalization in Algeria, seeking to determine whether it is just a passing trend or a true transformation. By combining theoretical analysis with field research, it reveals how people use these services, what their limitations are, and how they are perceived. The results of our study show that the adoption of digital services in Algeria is still limited, hampered by technical problems, administrative obstacles, and cultural habits. Digitalization therefore appears to be an essential development that requires joint effort to become a genuine tool for financial inclusion in the long term.

I. Literature review and theoretical basis of financial digitalization: reality and perceived perception

I. 1. Definition of key concepts

Financial Digitization: Financial digitization refers to the set of processes by which financial services integrate digital technologies to improve their efficiency, accessibility, and security. This includes tools such as electronic payments, online banking, electronic money, and crowd lending platforms. According to (piron, david mourey & franck, 2021) the digitalization of the finance function is not limited to the automation of operations, it also involves a profound transformation of practices, roles and economic models.

Digital Financial Inclusion: Digital financial inclusion refers to individuals and businesses accessing affordable financial products and services through digital channels. The World Bank (Dmirguç-kunt & All 2017) define this notion as a central element of sustainable development, because it allows populations previously excluded from the banking system to participate in the formal economy.

Fintech: Financial technologies, or fintech, are innovative companies that use technology to improve or automate financial services. (David, 2016) They present them as a break from traditional practices, capable of reinventing finance through faster, less expensive and better-targeted solutions.

Digitalization: Financial digitalization refers to the process by which financial services, products, and operations are transformed and improved using digital technologies. It encompasses all technological innovations applied to finance, such as electronic payments, online banking, mobile applications, cryptocurrencies, artificial intelligence, big data, and blockchain. For (puschmann, 2017) Financial digitalization is not simply an update of traditional financial services, but a profound redefinition of business models, customer experience and risk management processes.

I. 2. Theoretical Framework of Digitalization

The literature on financial digitalization shows that this phenomenon first emerged in developed economies before gradually spreading to emerging countries. Several authors emphasize that digitalization helps strengthen the resilience of the financial system, expand access to banking services, and stimulate innovation. (Thomas, 2016) Furthermore, it promotes transparency of transactions and the traceability of financial flows, which can contribute to the fight against corruption and informality.

In Africa, the example of Kenya and the success of Pesa is often cited as a model for digital financial inclusion. However, other countries such as Algeria show more modest levels of adoption. According to (Boudiaf, A, 2016) This is explained by a set of obstacles linked to infrastructure, user confidence, and the regulatory environment.

The theoretical framework for digitalization in public financial institutions is based on several fundamental concepts that allow for the analysis of digital transformation as a complex and multidimensional phenomenon. First, digitalization can be considered a process of integrating digital technologies into all of the organization's activities, contributing to improving overall performance. It materializes through the adoption of innovative technological solutions, such as automation, artificial intelligence, or big data management, aimed at optimizing operations, strengthening security, and offering more services that are accessible. On a theoretical level, several models explain this transformation. The Rogers Diffusion of Innovation Model, for example, emphasizes the role of early adopters, the social environment, and compatibility with existing processes to understand the speed and extent of technological integration. Furthermore, dynamic capability theory highlights the importance for institutions of developing specific resources and skills to assess, integrate, and maximize the impact of new technologies. The notion of organizational change is also central, as it highlights potential resistance and the need for change management to ensure effective adoption. Finally, the regulatory and institutional framework constitutes an essential pillar, as it frames and promotes the implementation of digitalization, while protecting compliance and security aspects. These theoretical perspectives emphasize that digitalization is not simply a passing trend, but rather a strategic evolution requiring organizational adaptation and a thorough understanding of the technological and human issues associated with it.

Technology Acceptance Theory (TAM)

Developed by (Fred, 1989) this theory states that the adoption of a technology depends mainly on two factors: the perception of its usefulness and the perceived ease of use. This approach is essential for understanding user behaviours towards digital financial services.

The theory of the diffusion of innovation

Proposed by (Everett, 2003) this theory explains how, why, and how quickly an innovation spreads in a society. It distinguishes several categories of adopters (innovators, early adopters, early majority, etc.) and highlights the factors influencing the spread of a technology: relative advantages, compatibility, complexity, etc.

Behavioural economics applied to finance

This approach, initiated by (Richard, 2008) suggests that economic behavior is not always rational. When it comes to financial digitalization, psychological biases such as fear of change or distrust of digital technology can hinder adoption, regardless of the objective benefits of the technology.

The theory of the diffusion of innovation

Everett M. Rogers developed the Diffusion of Innovation Theory in 1962. This sociological theory seeks to explain how, why, and how quickly an innovation spreads within a society or organization.

According to (Everett, p12) An innovation is "an idea, practice, or object perceived as new by an individual or other adopting unit." The diffusion process, therefore, corresponds to the way in which this innovation is communicated through specific channels over time among members of a social system.

Technology Acceptance Theory (TAM)

The Technology Acceptance Model (TAM) is a theoretical model proposed by (Fred, 20) with the aim of understanding the factors determining users' acceptance and use of technologies.

Inspired by **the theory of reasoned action**, TAM is based on two main variables that influence the intention to use a technology: Perceived usefulness (PU), Perceived ease of use (PEOU). These two variables influence the attitude towards use, which in turn determines the behavioral intention to use the technology, and then the actual use.

Institutional theory

Institutional theory, developed mainly by (DiMaggio, 1983, p.147-160) is part of the neo-institutionalist movement. It aims to explain how organizations adopt certain structures, practices, or technologies not for their effectiveness, but for their legitimacy in a given institutional

environment. It argues that organizations are influenced by their social, political, and cultural context, and tend to adopt similar behaviors under the pressure of dominant institutional norms.

The Challenges of Digitalization

The challenges of digitalization in public financial institutions are multiple and decisive for their sustainability and competitiveness. First, it enables a significant improvement in operational efficiency by automating administrative processes and optimizing the management of financial flows, which facilitates rapid and accurate decision-making. Furthermore, reducing costs related to manual operations and paper management constitutes a major competitive advantage, strengthening the economic viability of public institutions in a context of budgetary constraints. Digitalization also contributes to strengthening the security of transactions and data, by integrating advanced cryptography and real-time monitoring solutions, which is essential in the face of rising cyber threats. However, this transition raises issues related to the resistance to change of certain traditional players, who are often reluctant to adopt new technologies without assurances of stability and control. Furthermore, regulation and compliance constitute a major challenge; the adoption of digital innovations must ensure compliance with a constantly evolving legislative framework, while protecting the confidentiality of customer data. In short, digitalization appears to be a strategic necessity for public financial institutions, combining considerable benefits in terms of efficiency and security, while requiring proactive management of the challenges linked to digital transformation.

II Empirical study: Research methods, tools and measures

We adopted a descriptive analytical methodological approach with hypothetico-deductive reasoning and a constructivist epistemological posture, which is best suited to our study, while relying on statistical tools including a questionnaire and an interview. Our study took place during the period from January 1, 2025 until the end of May 2025 and those in two stages, the first concerns the study with a random sample of respondents (citizens) to measure their behaviors, their uses and their perception towards digital financial services, however, the second stage concerns the interview with the bank (Caisse Nationale d'Epargne et de Prévoyance-Banque) Complementary to our study in order to measure the extent of the infrastructures linked to the financial digitalization object of our research.

Through our problem: **what are the obstacles to the development of financial digitalization in Algeria?**

Two main hypotheses will guide our thinking

H1: The lack of a culture of using electronic financial transaction tools is responsible for the development of financial digitalization in Algeria.

H2: The lack of widespread implementation of financial transaction devices is hindering the development of financial digitalization in Algeria.

The objective of this research is to assess the reality of the use of digital financial tools by Algerian citizens, to understand the causes of their limited or progressive adoption, and to identify levers of action to strengthen this dynamic. We will also seek to explore the role of institutions (banks, post offices) in this digital transition. We adopted a descriptive analytical methodological approach with hypothetico-deductive reasoning and a constructivist epistemological posture which is best suited to our study, while relying on statistical tools including a questionnaire and an interview. Our study took place during the period from January 1, 2025 until the end of May 2025 and was carried out in two stages, the first concerned the study of a random sample of respondents (citizens) to measure their behavior, their uses and their perception of digital financial services, however, the second stage concerned the interview with the bank (Caisse Nationale d'Epargne et de Prévoyance-Banque) Complementary to our study in order to measure the extent of the infrastructures linked to the financial digitalization object of our research.

In this part, we will see the presentation of the survey which is a field survey by questionnaire and interview which is better suited to our research theme because to obtain answers nothing is more natural than to ask questions. A practical way to quickly collect information and an effective

decision-making tool, it also implies clear objectives, a rigorous methodology and organization, precise planning. The sampling which was in our case, the mother population (citizens) and infrastructure on which our survey is based. We structured our survey around 2 parts (questions to identify the respondents, Perception of the effectiveness of digital vs traditional services, perception of adoption and use of digital services). Finally, we will see the analysis of the results, the different answers translated into numerical: table, percentages and graphs, to better interpret our results and provide relevant answers to our problem and provide answers to our hypotheses, as well as a conclusion of the chapter where we will confirm the hypotheses of our problem of our research which was focused on an overview of the choices of the citizen and the behavior of the consumer with regard to banking digitalization.

2.2 Sampling: In our case, the mother population on which our survey is based is made up of citizens and infrastructures located in the wilaya of Oran.

2.3 Conduct of the survey: To obtain answers, nothing is more natural than asking questions. The questionnaire and interview survey is, as such, a practical way to quickly collect information and an effective decision-making tool. Our survey lasted one month.

2.4 The questionnaire: The questionnaire is an indispensable tool and an essential element for carrying out the survey. It is a set of questions constructed with the aim of generating the information necessary for carrying out a study. The questions in our questionnaire are of different forms (closed single-choice questions, closed multiple-choice questions).

2.5 The interview: The interview is a qualitative method of collecting data which consists of exchanging directly with a resource person, generally an expert or concerned by the subject of study, in order to obtain detailed, contextual information which is often not accessible through standardized questionnaires.

2.6 The administration method: For our survey, we opted for the method of distributing the questionnaire to anonymous citizens; each person in the sample received a questionnaire to complete, and at the bank level, a semi-direct interview was used as a complementary tool to the quantitative questionnaire survey. It allowed us to question a bank branch manager in Oran on the actual use of digital payment services by the establishment's customers. This type of interview is based on a grid of pre-established questions, while leaving a certain flexibility in the responses, allowing the interviewee to develop his point of view and provide numerical data, observations and practical insights.

2.7 Presentation of the questionnaire sections: We have structured our survey around the following two parts:

- Questions to identify respondents: These criteria will allow interpretations to be made according to sociodemographic characteristics.

So these questions will allow us to draw up a profile of each respondent: age, gender (sex), socio-professional category.

- Analytical questions: grouping together statements relating to the use, availability, ease, security, accessibility and evolution of digital payment services.

Responses to this second section are measured using a five-way Likert scale, ranging from "Strongly Agree" to "Strongly Disagree," to capture the intensity of opinions expressed. The collected data were then statistically processed using frequency tables and descriptive analysis, allowing for the identification of trends and potential correlations.

In addition to the questionnaire, we conducted a semi-direct interview with an executive from a bank based in Oran. This interview was designed as a qualitative tool to gather precise and conceptualized institutional information on the actual use of digital payment methods by the institution's customers. This type of interview is based on a grid of pre-established questions, while allowing a certain freedom in the responses in order to encourage the development of ideas and the formulation of practical insights.

Topics covered include:

- The number of customers with bank cards.

- Frequency of use of payment services (cards, mobile apps, e-payments, etc.).

- Modernization efforts undertaken by the bank.

This interview allowed us to cross-reference citizens' perceptions with actual data collected in the field, thus strengthening the validity of the results and providing an institutional perspective complementary to the statistical analysis. This dual approach helps to better identify the factors promoting or hindering the adoption of digital payments in the current Algerian context.

II. 1. Analysis and interpretation of descriptive statistical results

The analysis of the data collected through the questionnaire made it possible to observe significant relationships between several variables, in particular between the level of adherence to digital payments and certain structural or behavioral factors. These relationships highlight the major determinants that influence the adoption or rejection of digital payment services by citizens. We will analyze the results of the descriptive analyses obtained by the statistical analysis software, in this case SPSS.2.1

Sociodemographic descriptive analysis:

We identified and presented the profile of the respondents: The first section of the questionnaire aimed to collect a set of data allowing us to draw a sociodemographic and professional portrait of the subjects of the survey. The following frequency tables present the profile of the subjects according to: age; sex; function; establishment; time occupied in the function, university course followed.

II. 2. Sociodemographic data:

- Distribution by gender

Table(1) gender

		Frequency	Percentage	Valid percentage	Cumulative percentage
Valide					
	Female	47	46,5	46,5	47,5
	Male	53	52,5	52,5	100
	Total	100	100,0	100,0	

Source: results of our survey

Comment:

The gender distribution of the sample is relatively balanced, with a slight predominance of men (52.5% versus 46.5% women). This balanced representation helps limit gender bias in the analysis of perceptions and uses of financial digitalization. The gender diversity in the sample ensures better consideration of different sensitivities and experiences related to digital financial tools.

- Distribution according to level of education

Table(2) level of education

		Frequency	Percentage	Valid percentage	Cumulative percentage
Valide					
	No diploma	15	14,9	14,9	15,8
	Secondary	14	13,9	13,9	29,7
	Higher education	9	8,9	8,9	38,6

	University	62	61,4	61,4	100,0
	Total	100	100,0	100,0	

Source: results of our survey

Comment:

An overwhelming majority of respondents (61.4%) have a university degree, reflecting a generally well-educated sample. This data may positively influence the understanding and acceptance of digital financial tools, which are often perceived as requiring a certain level of skill. Conversely, those with no diploma or a secondary education represent approximately 28.8%, which nevertheless allows us to gather the opinions of less educated segments of the population, who are often more withdrawn from digitalization.

- Distribution by place of residence

Table(3) Distribution by place of residence

		Frequency	Percentage	Valid percentage	Cumulative percentage
Valide					
	Rural area	15	14,9	14,9	15,8
	Urban area	85	84,2	84,2	100,0
	Total	100	100,0	100,0	

Source: results of our survey

Comment:

The overwhelming majority of participants reside in urban areas (82.2%), which is consistent with the concentration of digital infrastructure in Algeria's major cities. However, this imbalance limits the representation of rural areas, where access to digital financial services can be more difficult. It will therefore be relevant to qualify the results by taking this geographical distribution into account, particularly with regard to digital inclusion and technology adoption gaps.

-Professional status of respondents

Table(4) Professional status

		Frequency	Percentage	Valid percentage	Cumulative percentage
Valide					
	Entrepreneur	3	3,0	3,0	4,0
	Student	21	20,8	20,8	24,8
	Retired	10	9,9	9,9	34,7

	Employee	45	44,6	44,6	79,2
	Unemployed	21	20,8	20,8	100,0
	Total	100	100,0	100,0	

Source: results of our survey

Comment:

Employees represent the largest share of the sample (44.6%), followed by students and the unemployed in equal proportions (20.8%). This structure reflects a young, working population seeking employment, likely to encounter the use of digital financial tools in their daily lives. However, the low representation of entrepreneurs (3%) could limit the generalizability of the results to this subgroup, which is key to the adoption of financial technologies in professional environments.

II. 3. Descriptive analysis of variables (axes of the study)

First dimension of the variable: use of digital means of payment

1. Use of bankcards for everyday purchases

Table(5) Use of bankcards for everyday purchases

		Frequency	Percentage	Valid percentage	Cumulative percentage
Valide					
	Agree	3	3,0	3,0	4,0
	Neutral	4	4,0	4,0	7,9
	Strongly disagree	74	73,3	73,3	81,2
	Slightly disagree	19	18,8	18,8	100,0
	Total	100,0	100,0	100,0	

Source: results of our survey

Comment:

A large majority of respondents (73.3%) stated that they do not use bank cards at all for their daily purchases, and 18.8% use them very little. This result highlights the low integration of bank cards into everyday consumer practices, despite their theoretical accessibility.

This suggests a continued reliance on cash payments and/or a lack of trust in or access to electronic terminals. These data underscore the importance of cultural, technological, and institutional barriers to the digitization of everyday transactions.

2. I am ready to gradually abandon cash in favour of digital payment.

Table(6) Use of bankcards for everyday purchases

	Frequency	Percentage	Valid	Cumulative
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				percentage	percentage
Valide					
	Strongly disagree	50	49,5	49,5	50,5
	Slightly disagree	50	49,5	49,5	100,0
	Total	100,	100,0	100,0	

Source: results of our survey

Comment:

The respondents are highly polarized: no one expressed complete agreement, and 100% were split between complete and partial disagreement. This reinforces previous findings regarding the low adoption rate of digital payments among citizens, limiting the potential for widespread adoption by consumers.

3. Increasing use of digital payment methods

Table(7) Increasing use of digital payment methods

		Frequency	Percentage	Valid percentage	Cumulative percentage
Valide					
	Agree	17	16,8	16,8	17,8
	Neutral	2	2,0	2,0	19,8
	Strongly disagree	24	23,8	23,8	43,6
	Slightly disagree	55	54,5	54,5	98,0
	Strongly agree	2	2,0	2,0	100,0
	Total	100,0	100,0	100,0	

Source: results of our survey

Comment:

Respondents appear largely reluctant or unconvinced by the increased use of digital payment methods, with 54.5% "somewhat disagree" and 23.8% "strongly disagree," while only 18.8% express full or partial agreement. These results reflect a slow adoption of these tools, likely linked to technological barriers, a lack of awareness, or a persistent preference for traditional methods. This also reflects a structural lag in the widespread adoption of digital financial solutions among the population.

4. Ease of use of digital payment methods

Table(8) Ease of use of digital payment methods

	Frequency	Percentage	Valid percentage	Cumulative percentage

Valide					
	Agree	30	29,7	29,7	30,7
	Strongly disagree	26	25,7	25,7	56,4
	Somewhat disagree	36	35,6	35,6	92,1
	Strongly agree	8	7,9	7,9	100,0
	Agree	100,0	100,0	100,0	

Source: results of our survey

Comment:

The perception of the ease of use of digital payment methods is rather mixed. Nearly 61.3% of respondents "somewhat disagree" or "strongly disagree" with the statement that these methods are easy to use, compared to 37.6% who agree. This perception may hinder their adoption, particularly among less tech-savvy or less educated groups. This is a significant obstacle to overcome in order to improve digital financial inclusion, notably through training and customer support.

5. I trust digital payments in terms of security.

Table(9) trusting digital payments in terms of security

		Frequency	Percentage	Valid percentage	Cumulative percentage
Valide					
	Agree	38	37,6	37,6	38,6
	Neutral	4	4,0	4,0	42,6
	Strongly disagree	26	25,7	25,7	68,3
	Slightly disagree	31	30,7	30,7	99,0
	Strongly agree	1	1,0	1,0	100,0
	Total	100,	100,0	100,0	

Source: results of our survey

Comment:

The table reveals a moderate level of confidence among respondents regarding the security of digital payments. While 37.6% agree, a cumulative majority (56.4%) express partial or total disagreement. This skepticism suggests significant reluctance related to cybersecurity and fraud risks, a significant obstacle to the widespread adoption of digital solutions in the Algerian context.

6. I use my smartphone or card to make payments at least once a week.

Table(10) using smartphone or card to make payments at least once a week

		Frequency	Percentage	Valid percentage	Cumulative percentage
Valide					
	Agree	24	23,8	23,8	24,8
	Strongly disagree	30	29,7	29,7	54,5
	Somewhat disagree	46	45,5	45,5	100,0
	Total	100,	100,0	100,0	

Source: results of our survey

Comment:

Only 23.8% of respondents report using their smartphone or bank card weekly, while 71.3% (45.5% + 25.7%) express a low integration of digital habits into daily consumption practices, which can be explained by a lack of equipment, financial education, or availability of digital solutions.

Second dimension of the variable: evolution of financial habits towards digitalization.

1. Digital payment methods are available in the shops I frequent.

Table(11) Digital payment methods are available in the shops I frequent.

		Frequency	Percentage	Valid percentage	Cumulative percentage
Valide					
	Agree	5	5,0	5,0	5,9
	Strongly disagree	80	79,2	79,2	85,1
	Somewhat disagree	8	7,9	7,9	93,1
	Total	7	6,9	6,9	100,0
	Agree	100,	100,0	100,0	

Source: results of our survey

Comment:

The findings are clear: 79.2% of respondents say they cannot find digital payment options in stores, while only 5% say the opposite. This lack of availability is a major obstacle to the development of digital payment usage, highlighting a lag in the local retail sector's infrastructure.

2. I have noticed an improvement in the availability of digital payment services.

Table(12) noticing an improvement in the availability of digital payment services.

		Frequency	Percentage	Valid percentage	Cumulative percentage
Valide					
	Agree	20	19,8	19,8	20,8
	Strongly disagree	35	34,7	34,7	55,4
	Somewhat disagree	44	43,6	43,6	99,0
	Strongly agree	1	1,0	1,0	100,0
	Total	100,	100,0	100,0	

Source: results of our survey

Comment:

The results show that 78.3% of respondents (43.66% + 34.7%) do not see significant progress in the availability of digital services. This result is concerning because it suggests that institutional and private modernization efforts are either invisible or ineffective.

3. Awareness campaigns or recent changes have encouraged me to use digital payment.

Table(13) Awareness campaigns or recent changes have encouraged me to use digital payment.

		Frequency	Percentage	Valid percentage	Cumulative percentage
Valide					
	Agree	9	8,9	8,9	9,9
	Neutral	1	1,0	1,0	10,9
	Strongly disagree	34	33,7	33,7	44,6
	Slightly disagree	55	54,5	54,5	99,0
	Strongly agree	1	1,0	1,0	100,0
	Total	100,	100,0	100,0	

Source: results of our survey

Comment:

The figures show that 88.2% of respondents (54.5% + 33.7%) were not influenced by campaigns or institutional changes. This indicates a lack of impact from communication and awareness-raising efforts, which should nevertheless play a key role in changing citizens' behavior.

4. Modernization efforts undertaken by the infrastructure sector have promoted the adoption of digital services.

Table(14) Modernization efforts undertaken by the infrastructure sector have promoted the adoption of digital services.

		Frequency	Percentage	Valid percentage	Cumulative percentage
Valide					
	Agree	19	18,8	18,8	19,8
	Neutral	1	1,0	1,0	20,8
	Strongly disagree	24	23,8	23,8	44,6
	Slightly disagree	56	55,4	55,4	100,0
	Total	100,	100,0	100,0	

Source: results of our survey

Comment:

Only 18.8% agree with this statement, while 79.2% disagree, reflecting an overall negative perception of the effectiveness of Algerian infrastructure in supporting the digital transition. This reinforces the idea that policies and investments remain insufficient or are poorly perceived.

5. The majority of merchants have adopted digital payment in their establishments.

Table(15) The majority of merchants have adopted digital payment in their establishments.

		Frequency	Percentage	Valid percentage	Cumulative percentage
Valide					
	Strongly disagree	50	49,5	49,5	50,5
	Slightly disagree	50	49,5	49,5	100,0
	Total	100,	100,0	100,0	

Source: results of our survey

Comment:

Respondents are highly polarized: no one expressed complete agreement, and 100% were split between complete and partial disagreement. This reinforces previous findings regarding the slow adoption rate among retailers, limiting the ripple effect among consumers.

6. The COVID-19 pandemic accelerated citizens' use of digital services.

Table(16) The COVID-19 pandemic accelerated citizens' use of digital services.

		Frequency	Percentage	Valid percentage	Cumulative percentage
Valide					
	Agree	29	28,7	28,7	29,7
	Strongly disagree	27	26,7	26,7	56,4
	Somewhat disagree	44	43,6	43,6	100,0
	Total	100,	100,0	100,0	

Source: results of our survey

Comment:

Respondents are more nuanced: 28.7% agree, while 70.3% disagree (partially or totally). This suggests that the health crisis has not been a sufficient catalyst for triggering a genuine digital transformation among Algerian citizens, unlike in other international contexts.

Conclusion of Observed Trends

The tables reveal low adoption of digital payments, characterized by:

- A lack of trust in security.
- Limited availability in stores.
- Infrastructure and awareness campaigns perceived as ineffective.
- Very low frequency of use.

These observations reinforce the hypothesis that financial digitization in Algeria remains more of a marketing ploy or a fad than a reality experienced daily by the majority of citizens.

Analysis of Actual Uses of Digital Payments through an Interview with an Algerian Bank

As part of this study, an interview was conducted with a representative of a bank located in Oran to gain a more concrete understanding of the adoption rate of digital payment methods within the Algerian-banking sector. The main objective of this exchange was to collect internal statistical and qualitative data on the actual use of bankcards and digital services by customers.

Table(17) Table of questions on the use of bank cards and digital services.

Questions	Answers
How many customers does your bank currently have?	Our branch in Oran has approximately 12,000 active clients.
What percentage of customers have a bank card?	Around 65% of our clients have a bank card, representing approximately 7,800 clients.
Of these cardholders, how many actually use it for payments (and not just for cash withdrawals)?	Around 30% use their card for electronic payments, representing approximately 2,340 clients.
What is the average monthly volume of electronic card payments?	We process approximately 5,000 electronic transactions per month, primarily in supermarkets, gas stations, and at bill payment locations.
Do customers use ATMs or digital payment methods more often?	ATMs are still by far the most common method. Around 70% of card transactions are cash withdrawals.
What is the average age of customers who actively use digital payments?	Active users are on average between 25 and 40 years old. They are often young professionals or students.
Does the bank offer digital services such as mobile payments or transfers via app?	Yes, we offer a mobile app for transfers, account tracking, and paying certain bills. Contactless mobile payment is currently being tested.
What is the adoption rate of these digital services?	Around 20% of our customers use the mobile app regularly. Mobile payment services remain underutilized at this time
What do you think are the main obstacles to using digital payment methods?	- Lack of merchants equipped with payment terminals (POS) - Security concerns - Lack of awareness - The still deeply ingrained cultural preference for cash
What measures is the bank taking to promote the adoption of digital payments?	- Online information campaigns - Training in branches - Innovative measures such as waiving fees on certain digital payments - Modernization of our digital services

Source: results of our survey

Analysis of the Interview:

The qualitative data from this interview largely confirm the findings of the quantitative questionnaire.

They highlight a gap between the theoretical availability of digital services and their actual use by customers. Adoption remains contingent on factors such as:

- The rate of payment terminal installation in stores.
- Customers' financial and digital literacy.
- The level of trust in the services offered.
- The leading role, or lack thereof, of banks in promoting these practices.

Furthermore, the interviewee's comments show that banks possess the technical resources, but their deployment remains limited, often hampered by systemic inertia, the absence of a clear public strategy, and a lack of coordination with commercial stakeholders.

Conclusion of the interview

This interview leads to the conclusion that the development of digital payments in Algeria depends not only on citizen demand, but above all on the structural and institutional ecosystem. Isolated efforts by banks, without strong political support or broad partnerships with merchants, are insufficient to trigger significant change.

Conclusion

Financial digitization is now a major strategic focus for developing economies, particularly in Algeria. The objective of this study was to determine whether the digitization of financial services is a mere passing trend or a structural transformation deeply felt by economic actors, especially Algerian citizens. Through a rigorous literature review, we defined key concepts such as financial digitization, digital financial inclusion, Fintechs, and digitization as a whole. These elements allowed us to understand global dynamics and examine their application in the Algerian context. We mobilized robust theoretical frameworks such as diffusion of innovation theory, institutional theory, and the TAM model to analyze user behavior in the face of financial technology adoption. The empirical study conducted for this research combined a questionnaire survey of citizens and a semi-structured interview with a manager of a bank branch in Oran. The survey results revealed a low level of adoption of digital payment methods, primarily due to security concerns, a lack of academic infrastructure, insufficient awareness campaigns, and the limited range of digital services offered by merchants. The interview conducted with the bank supplemented these findings by providing numerical data on the number of actual users of digital services, their frequency of use, and the obstacles encountered at the institutional level. This combination of qualitative and quantitative data strengthened the validity of our observations. Thus, it appears that while financial digitalization in Algeria has seen some progress, driven in particular by recent reforms, the health crisis, and the development of e-banking, it remains hampered by cultural, structural, and technical factors. This observation demonstrates that digitalization is not simply a passing fad, but a reality under construction, still experienced unevenly depending on the stakeholders, regions, and levels of usage. In conclusion, for financial digitalization in Algeria to become a real driver of economic inclusion, it is essential to strengthen user confidence through awareness campaigns and financial education, modernize technological infrastructure, encourage merchants to adopt digital solutions, and continue institutional efforts in terms of regulation, security, and accessibility.

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